



# TEMASEK REVIEW 2009

## Technical Briefing

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ALL INFORMATION EMBARGOED TILL 3.30PM SG TIME, THURSDAY 17 SEPT 2009

# TEMASEK REVIEW 2009



PERFORMANCE

POSTURE

INSTITUTION

OUTLOOK



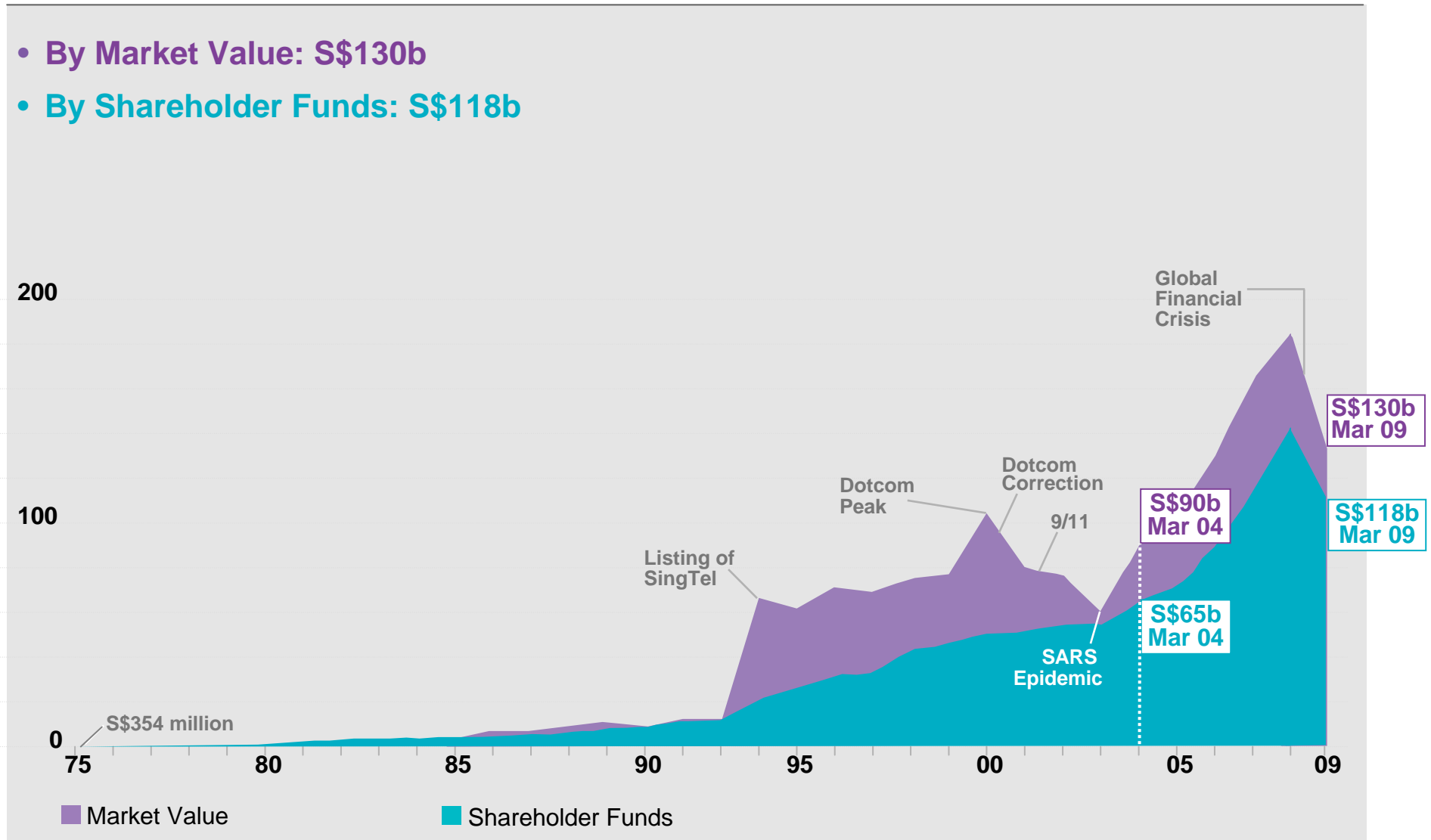
## Temasek Review 2009



- We invest for the long term
- We own a portfolio of blue chips in Singapore and Asia
- We are well positioned for the future

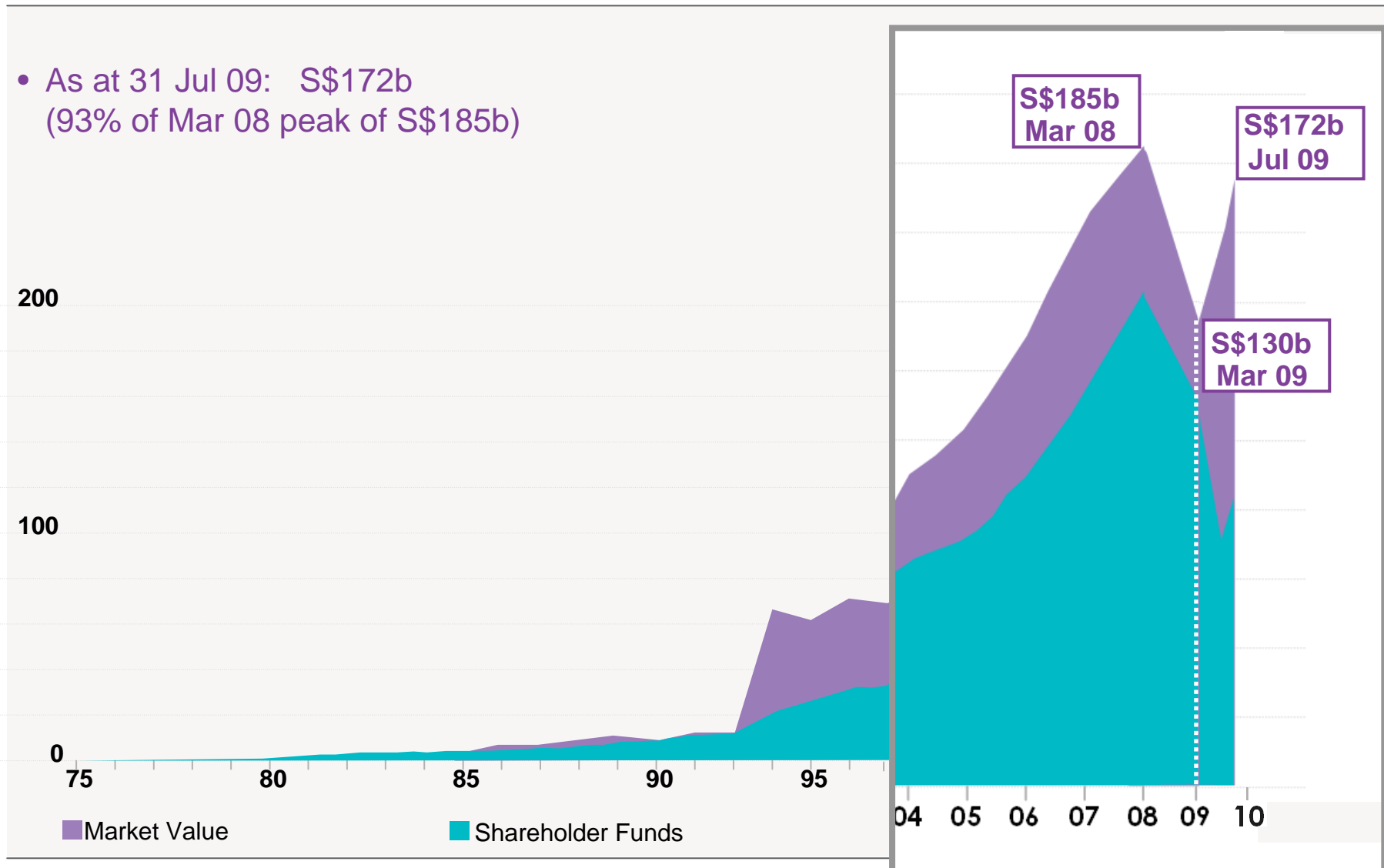
# Portfolio Value as at 31 Mar 09

- By Market Value: S\$130b
- By Shareholder Funds: S\$118b



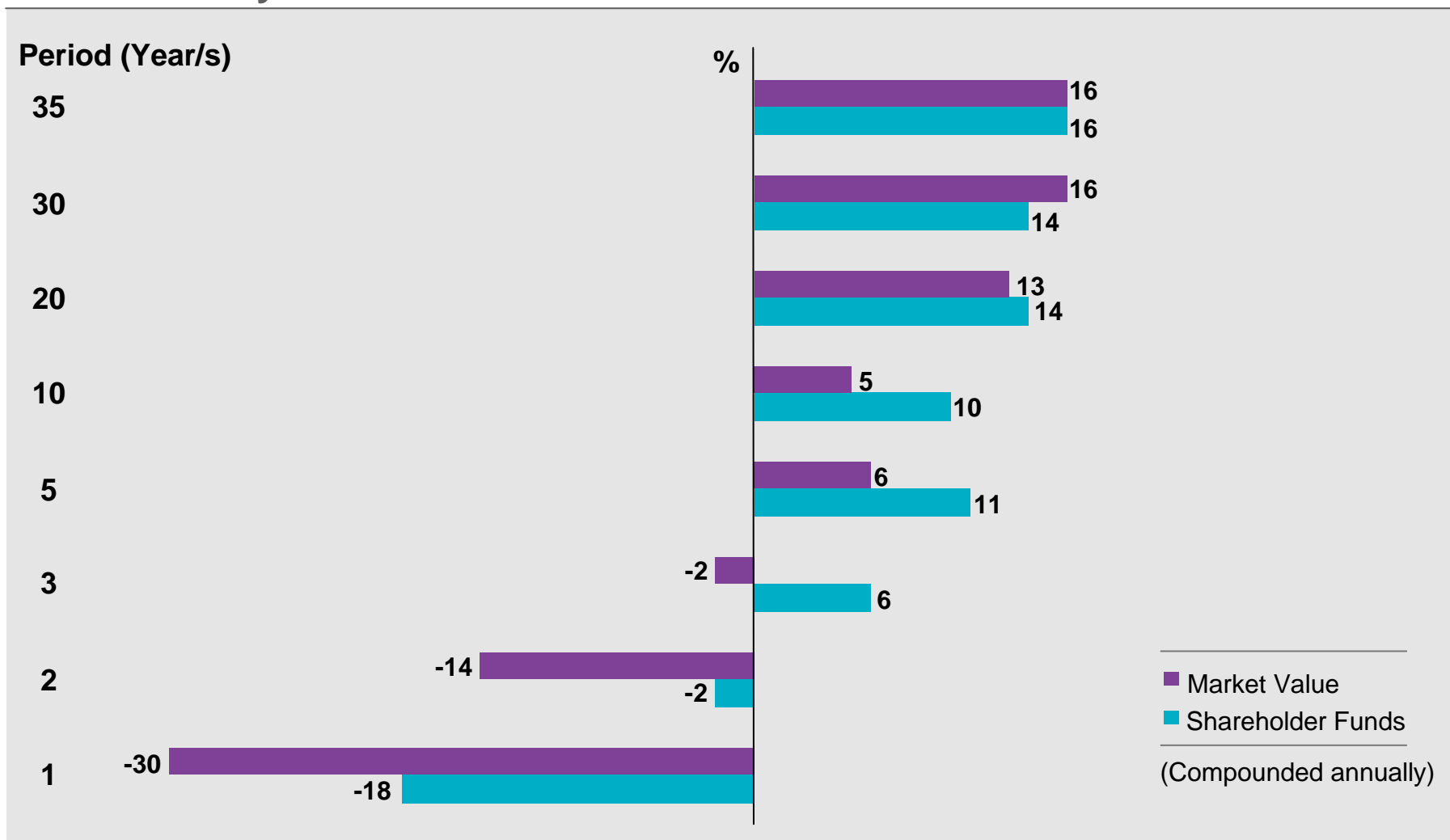
# Portfolio by Market Value

- As at 31 Jul 09: S\$172b  
(93% of Mar 08 peak of S\$185b)



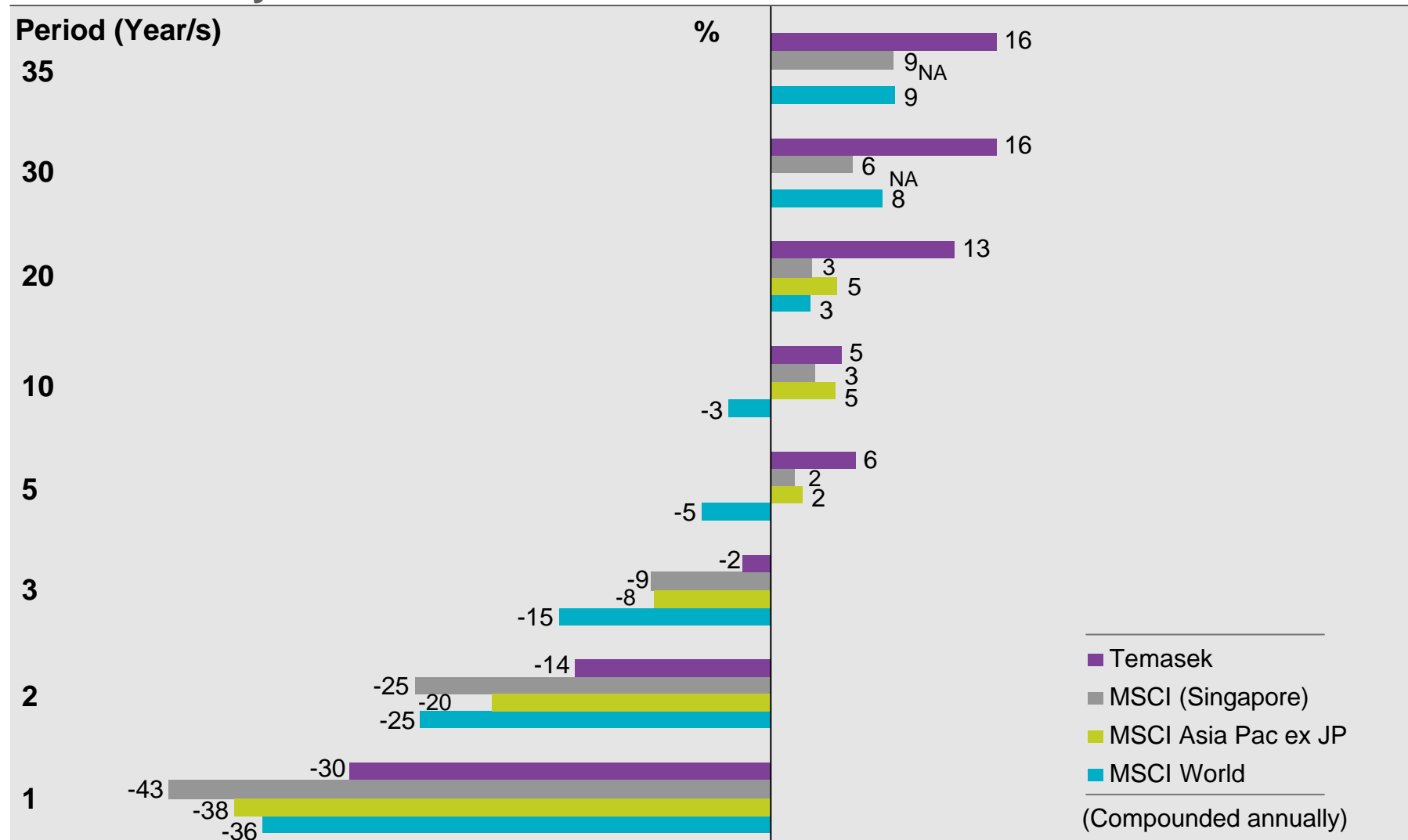
# Total Shareholder Return (TSR) as at 31 Mar 09 (S\$ based returns)

## Fundamentally Robust Portfolio



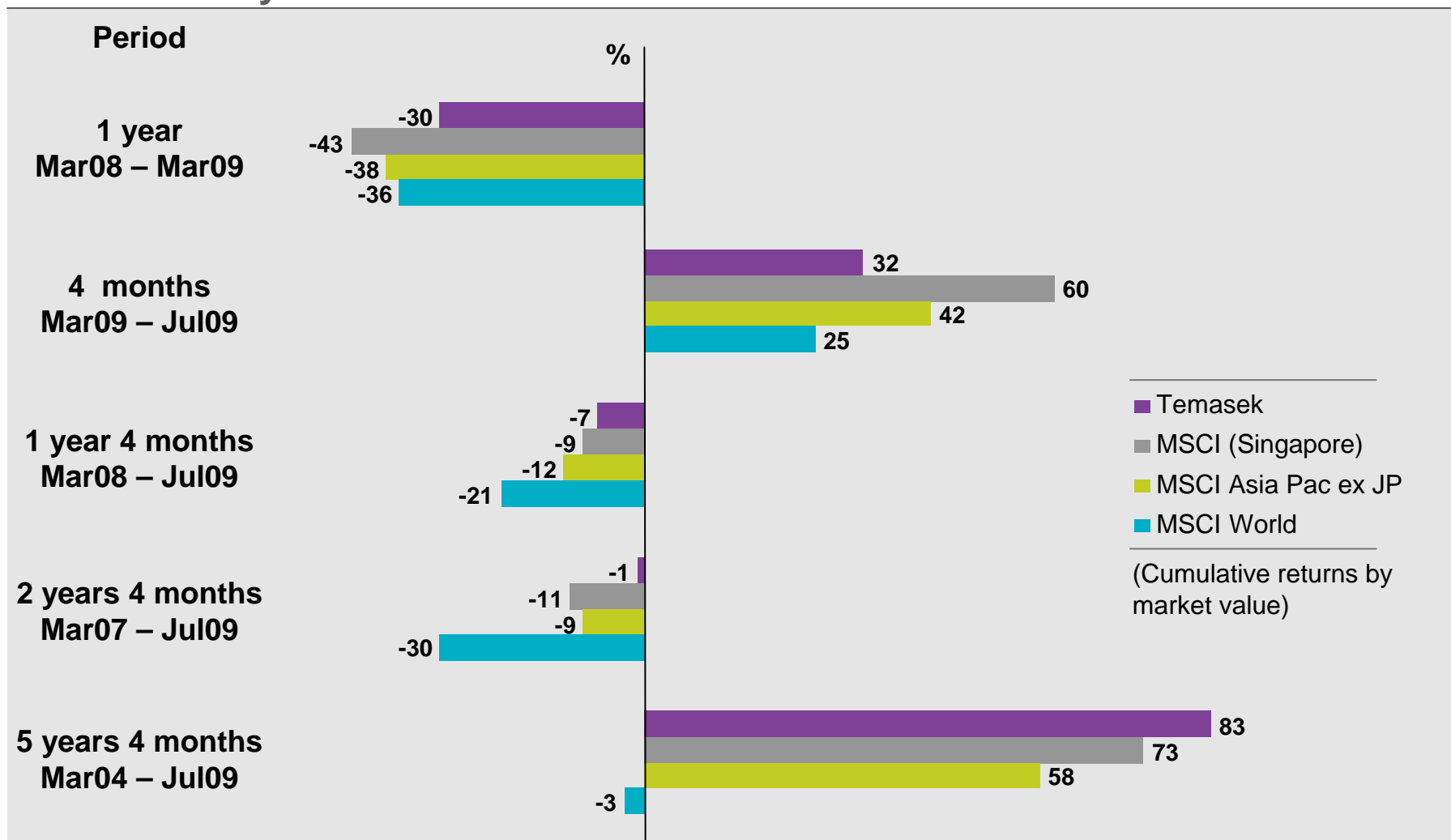
# TSR by Market Value as at 31 Mar 09 (\$\$ based returns)

## Fundamentally Robust Portfolio



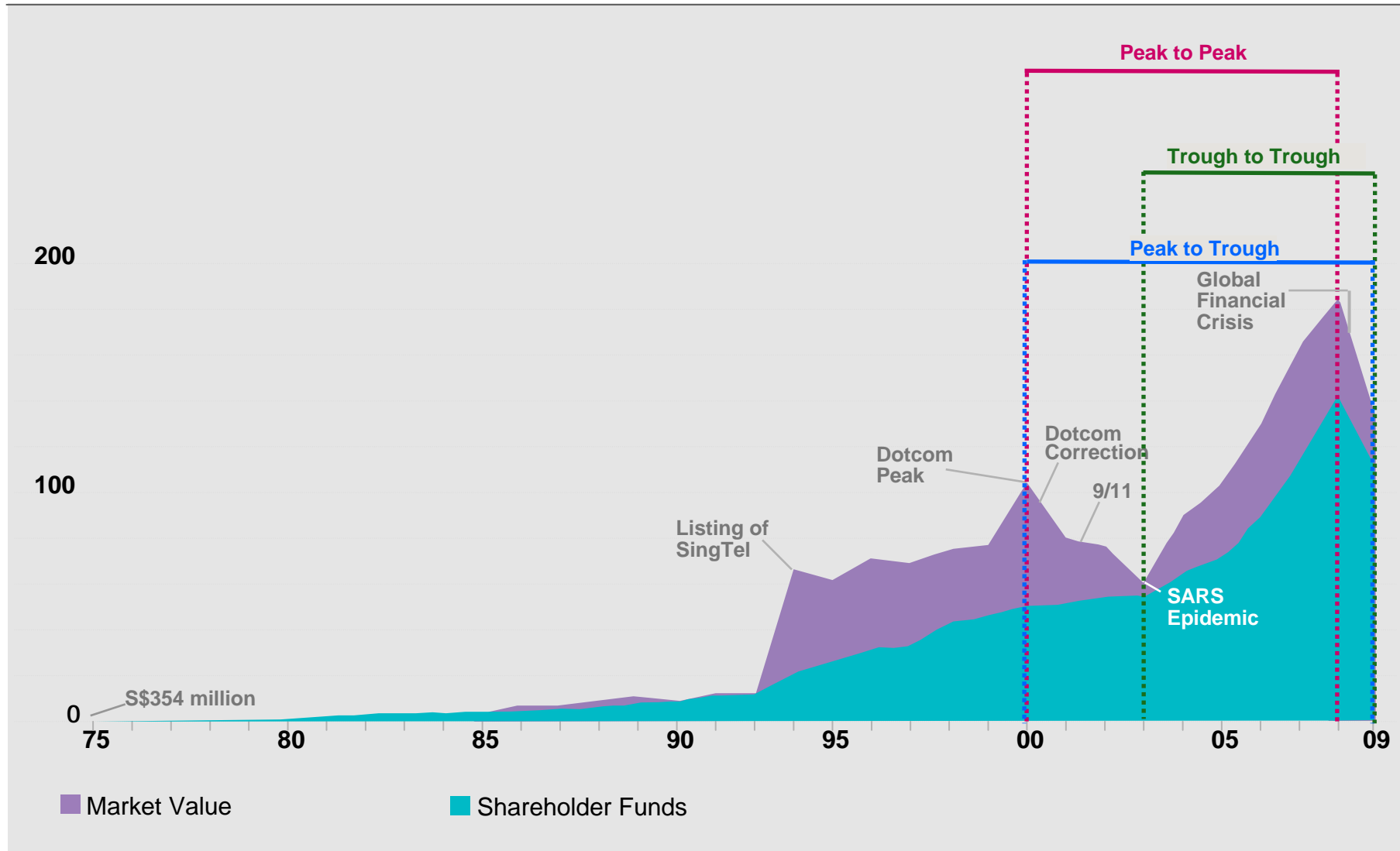
# Cumulative Returns as at 31 July 09 (S\$ based returns)

## Fundamentally Robust Portfolio



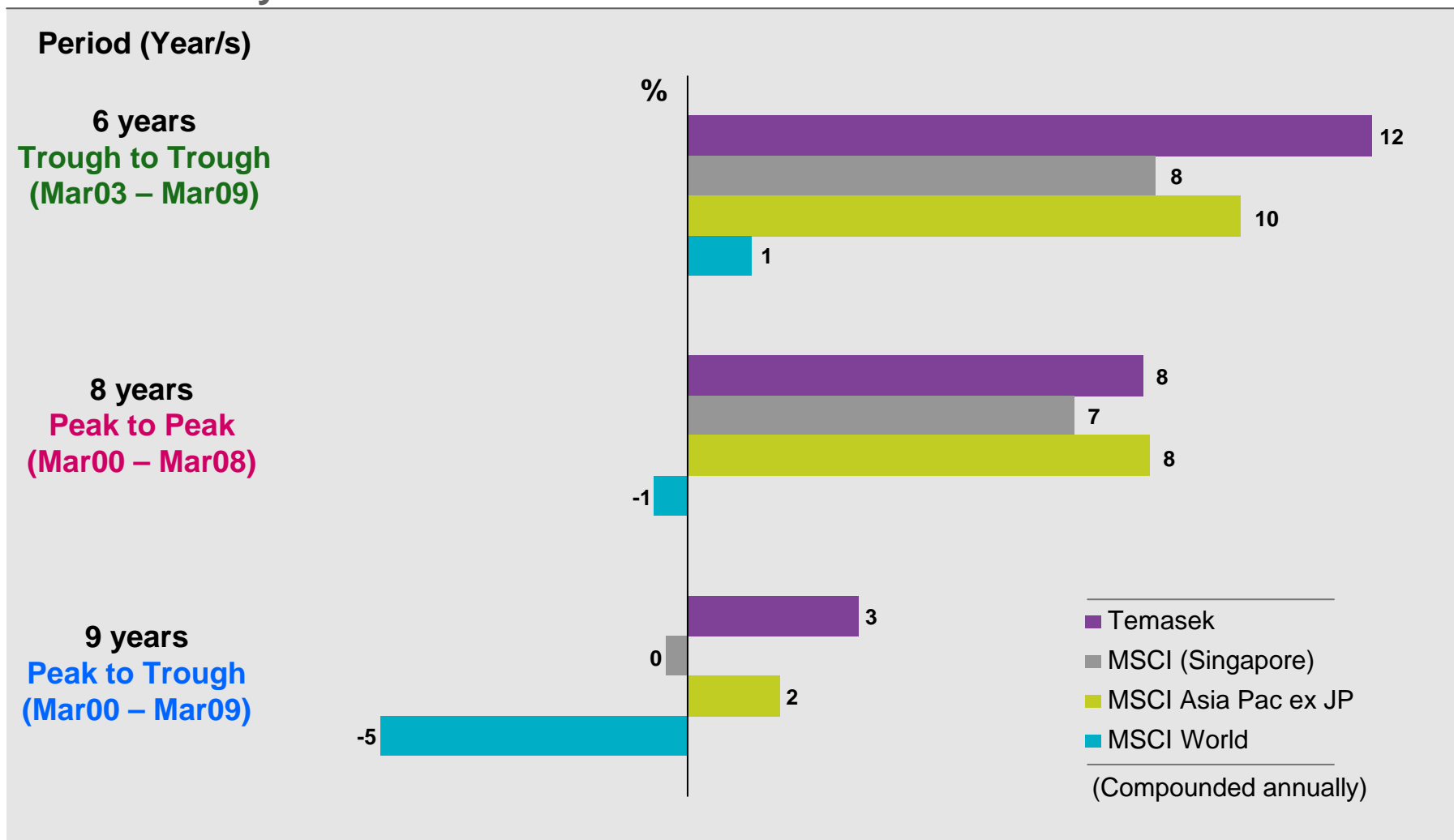


# Market Cycles



# TSR by Market Value over Market Cycles (S\$ based returns)

## Fundamentally Robust Portfolio



# Group Financial Highlights

## Performance Underpinned by Fundamentally Strong Portfolio

FY ended (S\$b)	31 Mar 09	31 Mar 08	% Change	31 Mar 07	31 Mar 06	31 Mar 05	31 Mar 04
Net Profit	6	18	(66)	9	13	8	7
Shareholder Equity	118	144	(18)	114	91	71	65

### ↓ Group Net Profit:

- Lower contribution from Temasek's investment activities
- Lower contributions from portfolio companies

### ↓ Group Shareholder Equity:

- Drop in unrealised marked-to-market fair value of investments < 20%

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## Our Posture

### Building to Last

#### Past 2 years

- Strengthened Liquidity → Net Cash
- Strengthened Portfolio → Rights Issues
- Steady Stance → Blue Chip Investments

**Strong Balance Sheet → Maximum Flexibility**

# Strength & Flexibility

## Building to Last

### Financial Strength

- Strong portfolio of blue chips
- Net cash
- AAA / Aaa credit ratings

### Investment Flexibility

Divestments

**S\$16b**



Investments

**S\$9b**

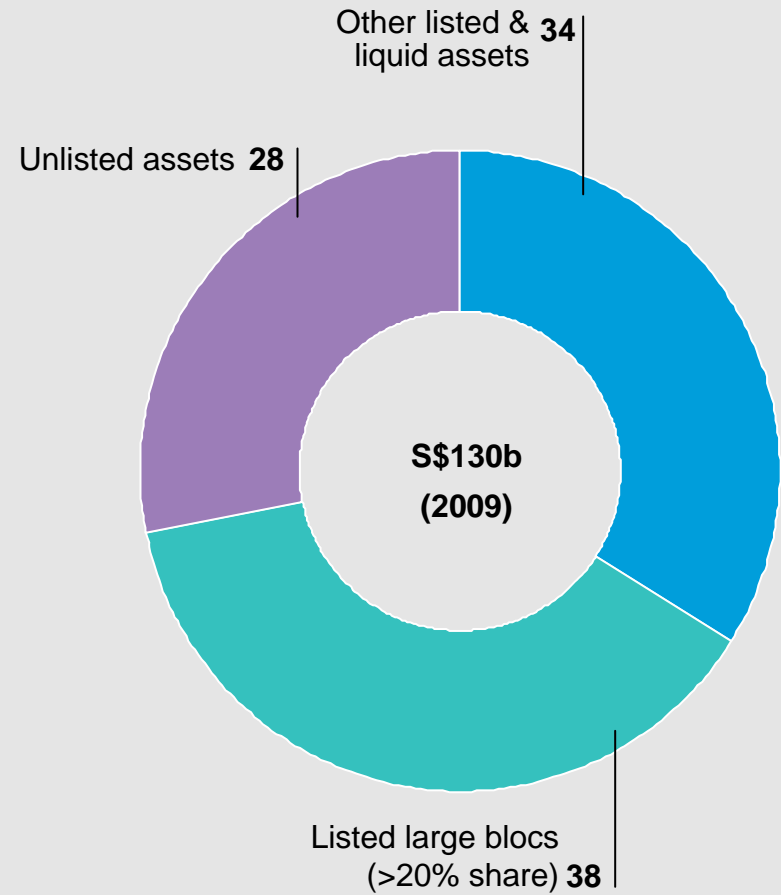
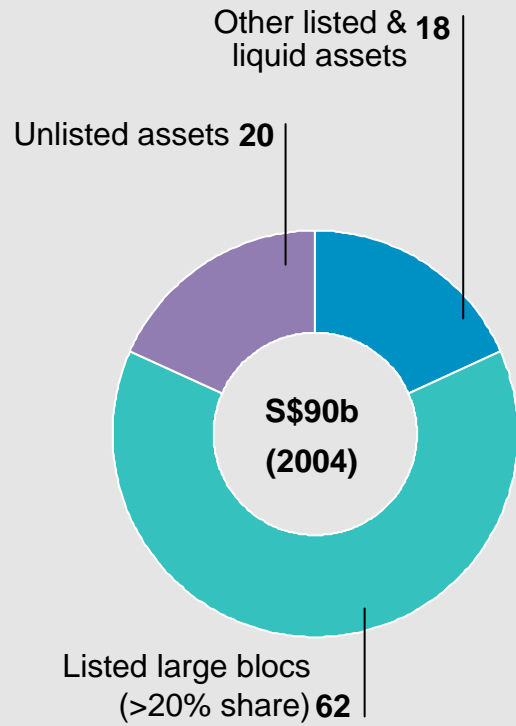


Recapitalisations

**S\$3b**

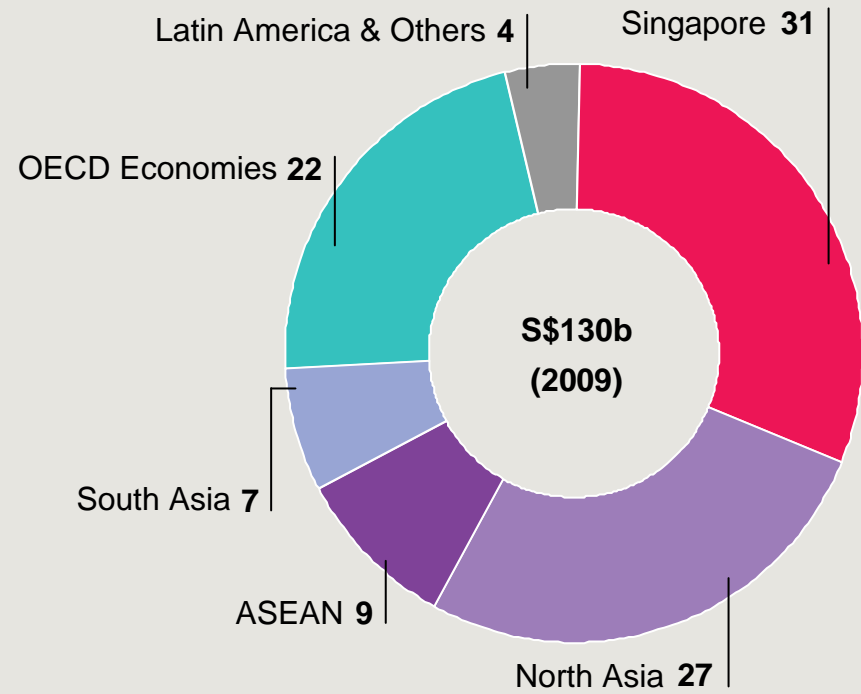
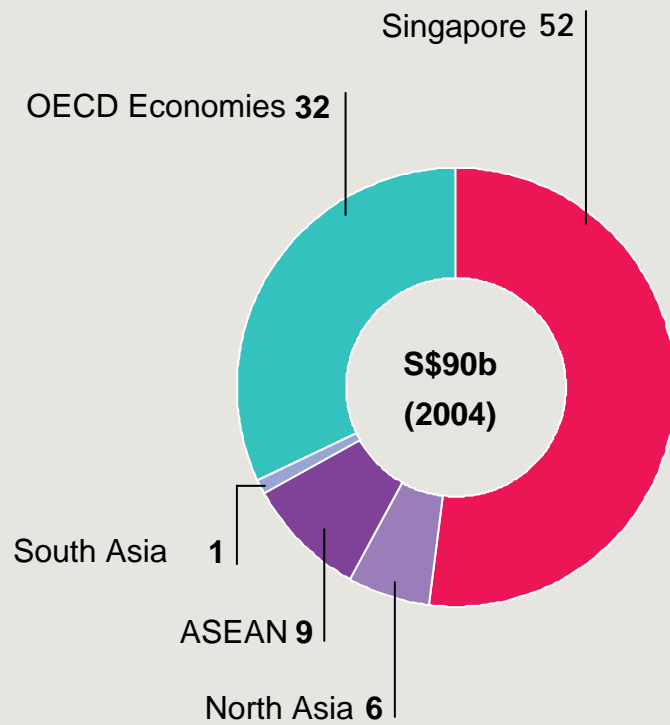
# Portfolio by Liquidity (%)

## Liquid Portfolio



# Portfolio by Geography (%)

## Diversified by Geography

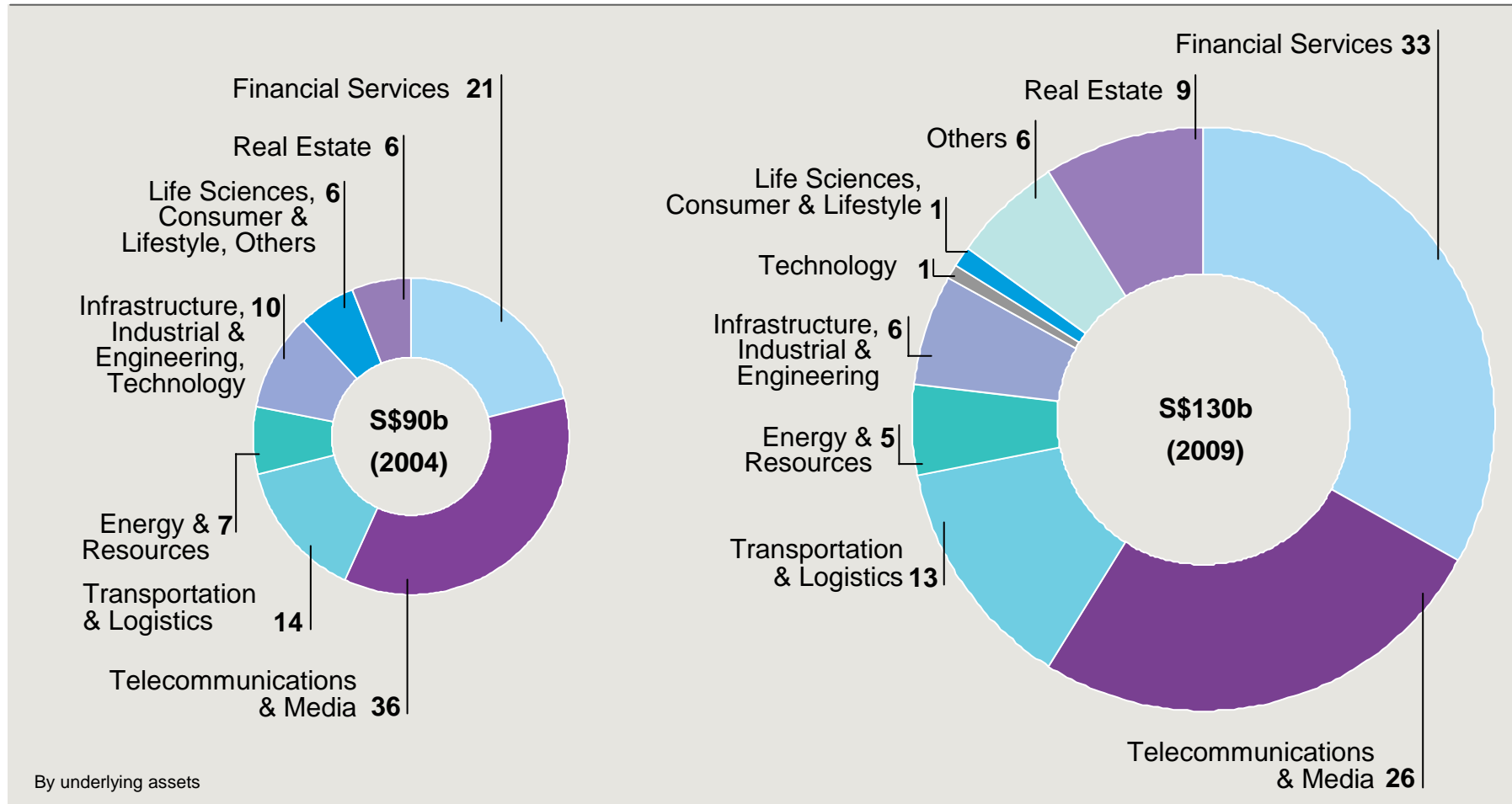


By underlying assets



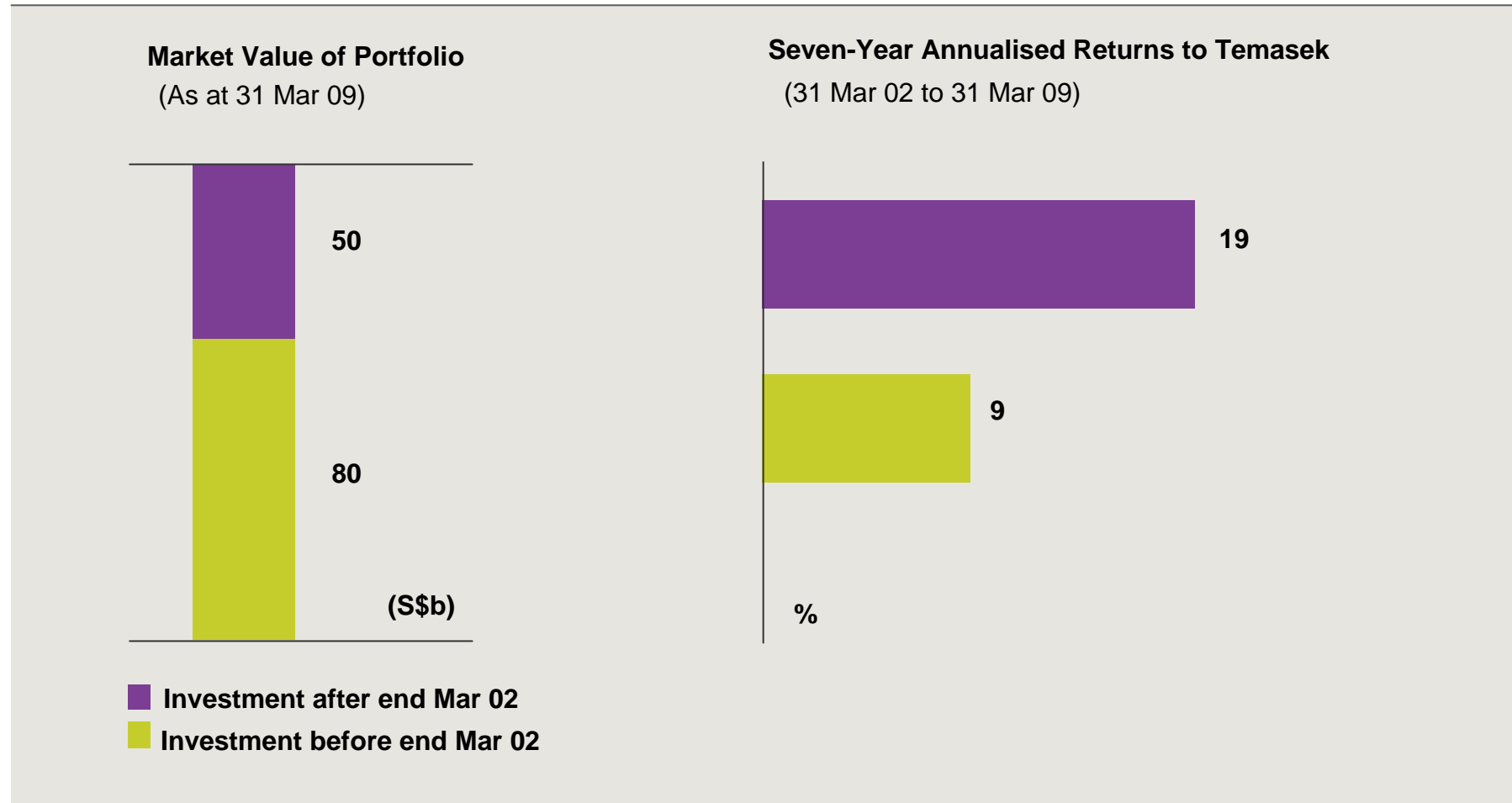
# Portfolio by Sector (%)

## Diversified by Sector



# Investing in Asia

## Direct Investments Yielded Higher Returns

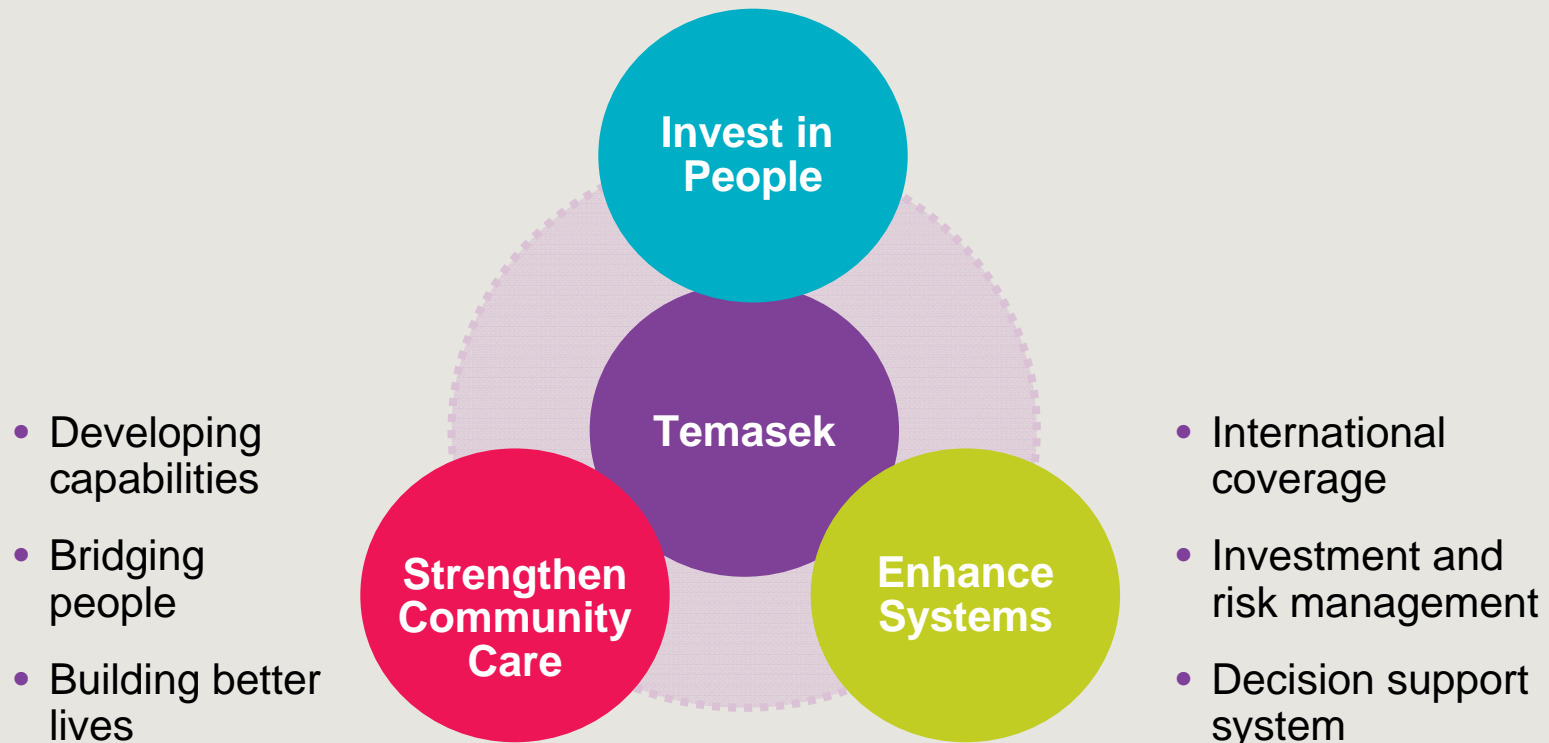


# TEMASEK REVIEW 2009



# Building the Institution for the Future

- High-performance team
- Training and development
- Ownership mindset



# Fostering a Long-Term Owner Mindset

## Compensation Philosophy

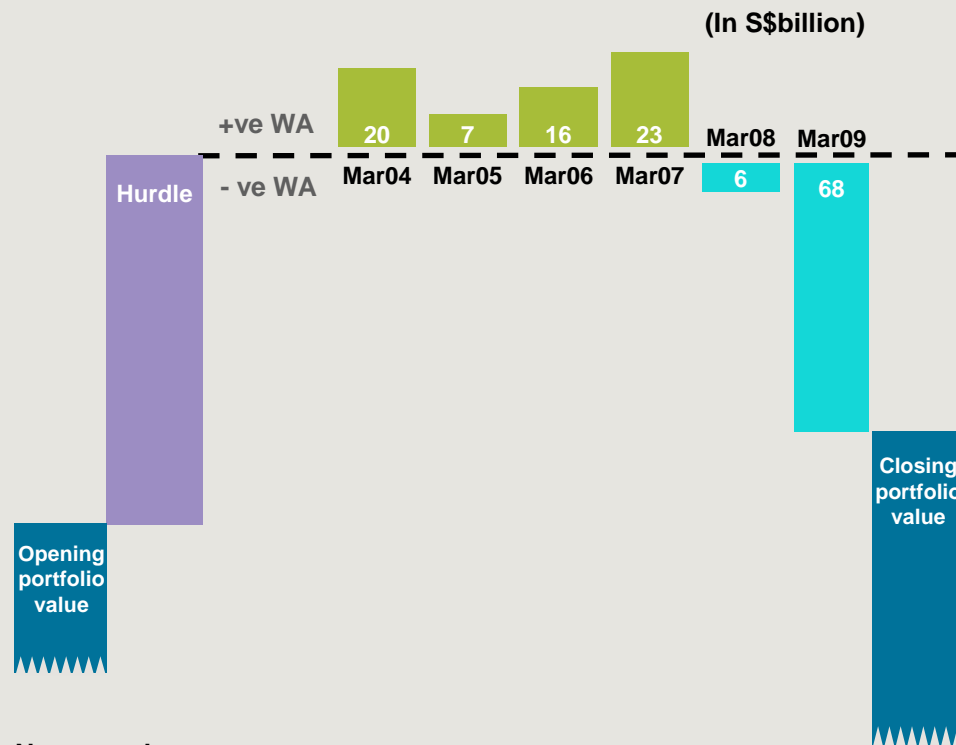
- Reinforces one-team culture
- Emphasises long term over short term
- Aligns employee and shareholder interests

# Staff Incentives Based On Sustained Performance

**Annual Wealth Added (WA)**  
Excess returns over hurdle



**Determines size of incentive pool**

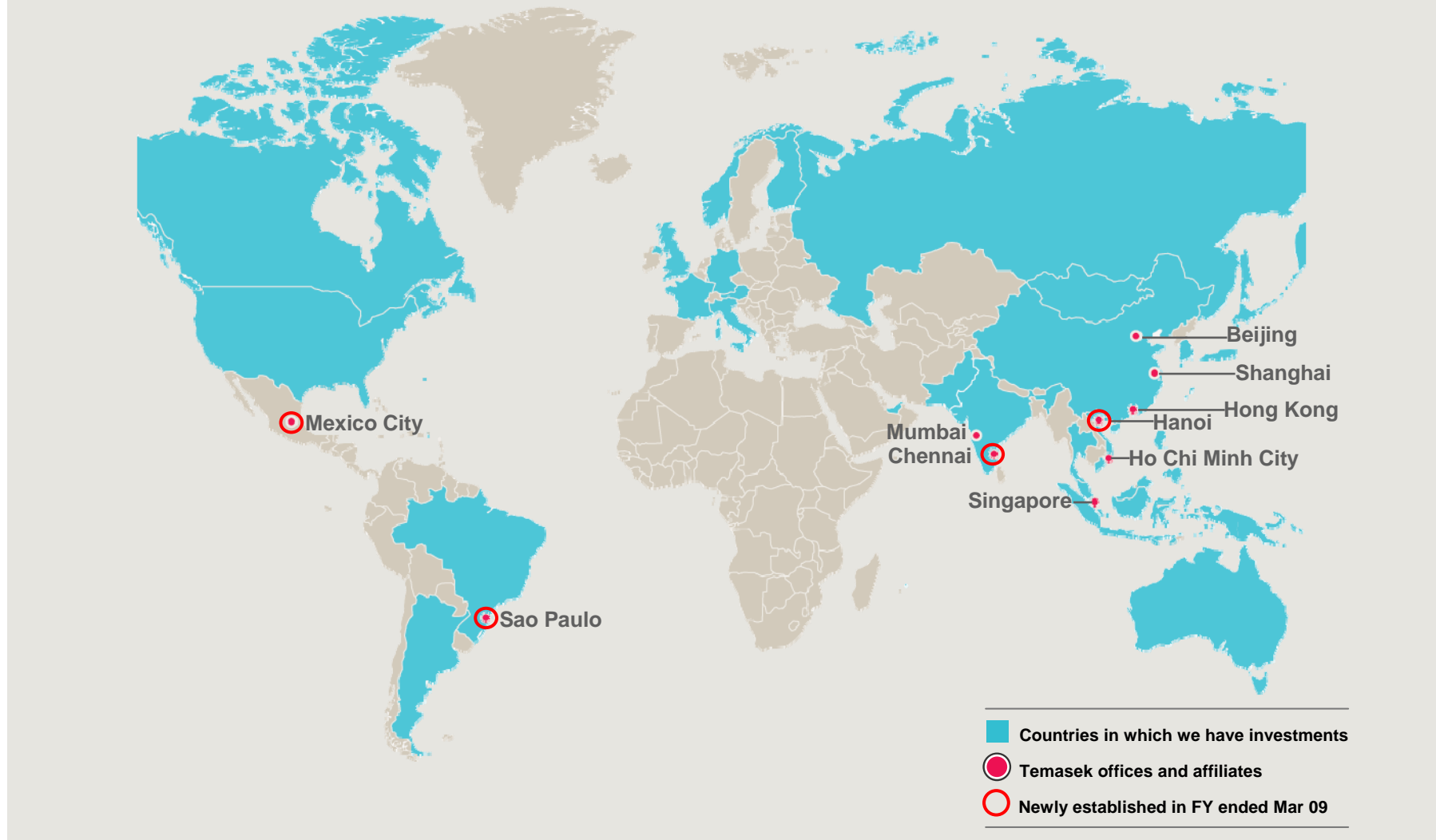


- Since 2004, bulk of performance incentives for senior management deferred between 3 to 12 years

- Clawback of deferred bonuses when there is negative WA

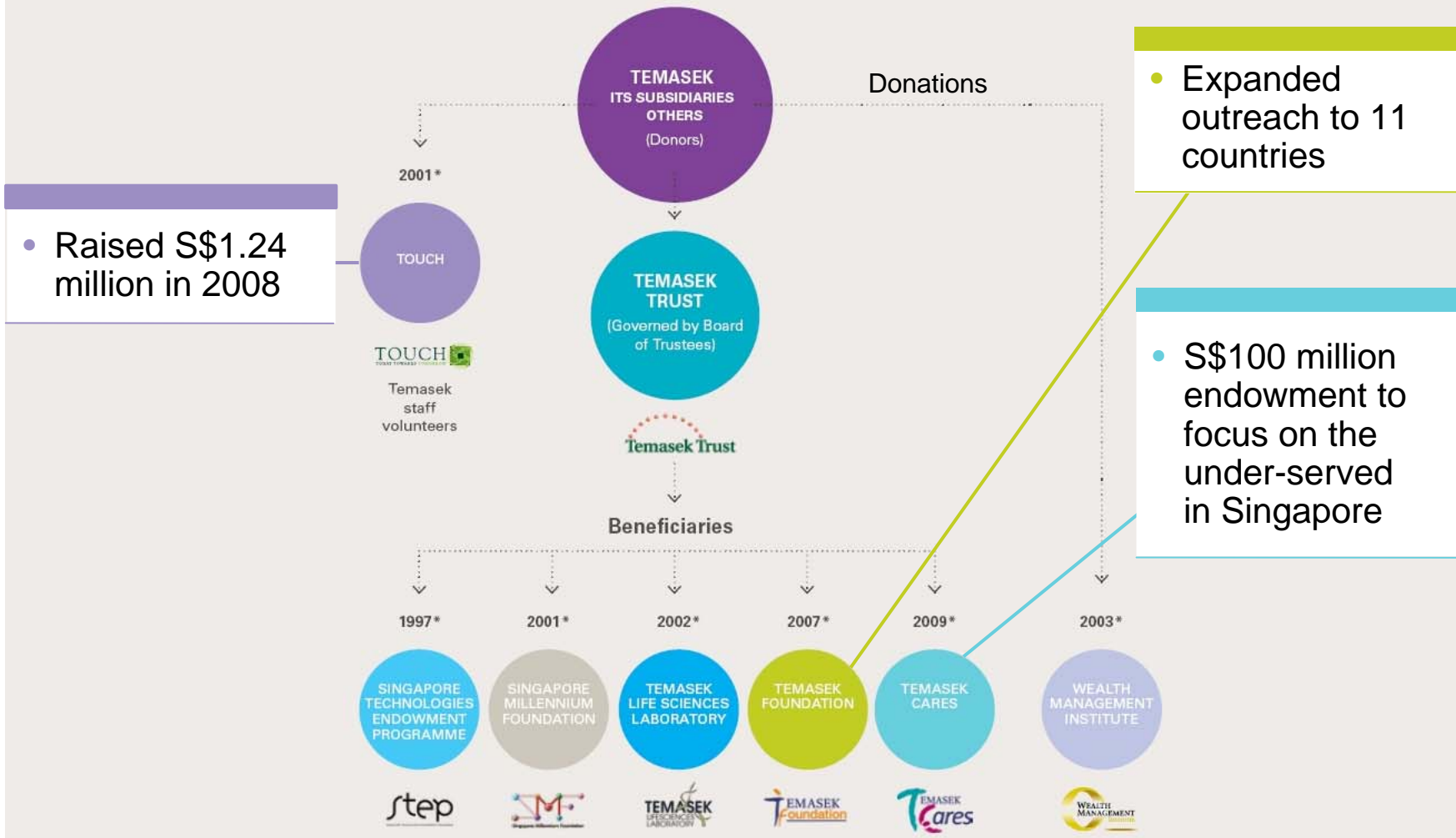
# Expanding Our International Network

Improves Responsiveness to Opportunities Around the World



# Strengthening Our Community Care

## Sharing Positive Wealth Added





# TEMASEK REVIEW 2009



# Outlook

## Near Term – Steady Stance

- Meltdown risks are over
- Elements of policy risks remain
- Structural issues of over-capacity and excessive leverage
- Global recovery sluggish
- Maintain a steady investment pace

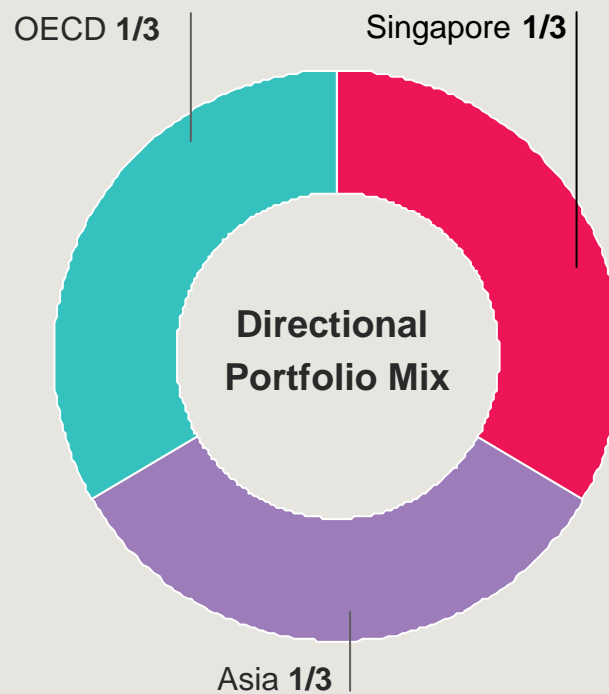
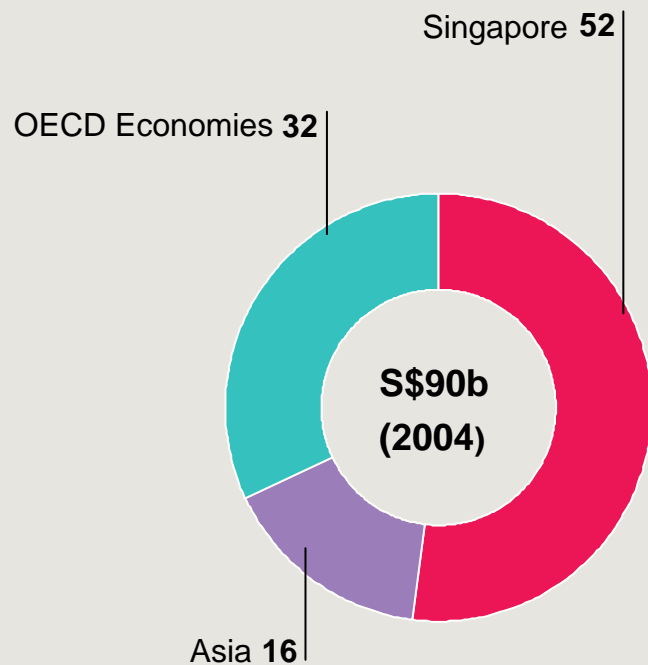
# Outlook

## Long Term – Positive on Asia

- Optimistic about Asia's potential
- Asia continues to de-risk
- Overweight in Asia
- Positive on other growing regions (e.g. Latam)

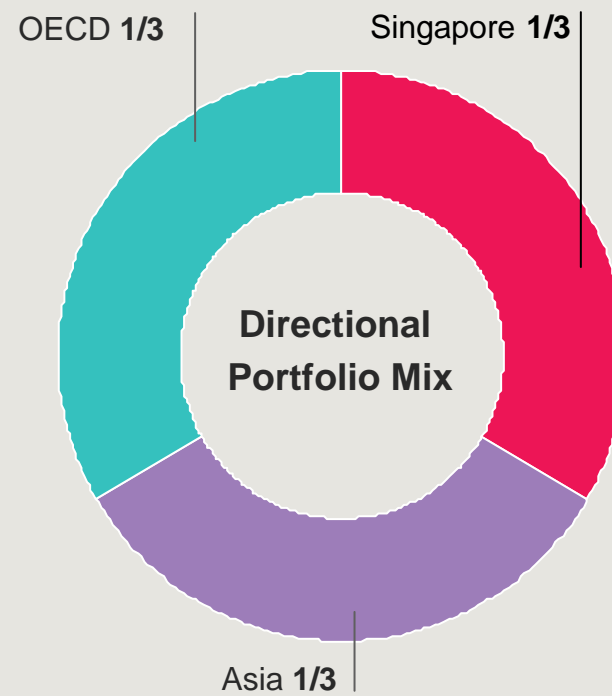
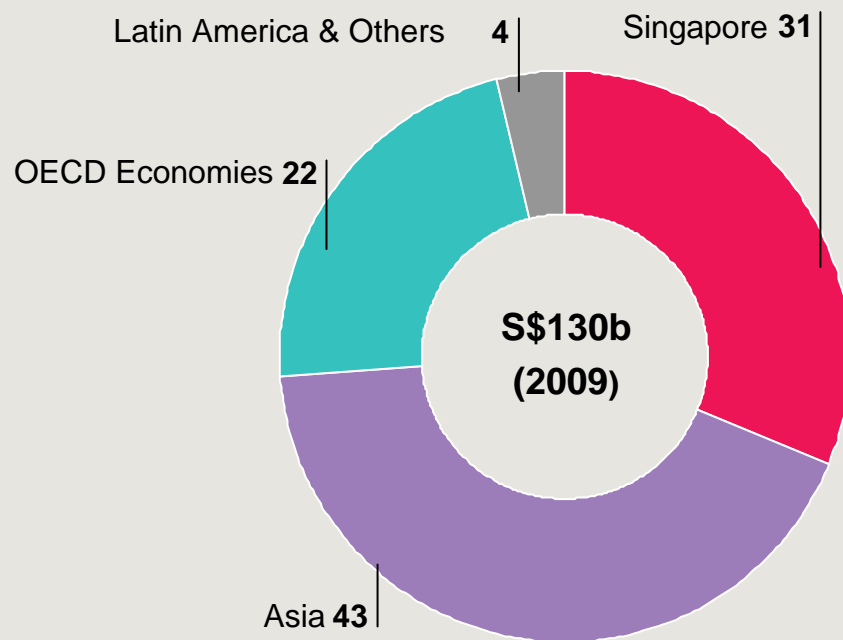
# Positioned for Growth

## Looking Back – Exposure to Asia



# Positioned for Growth

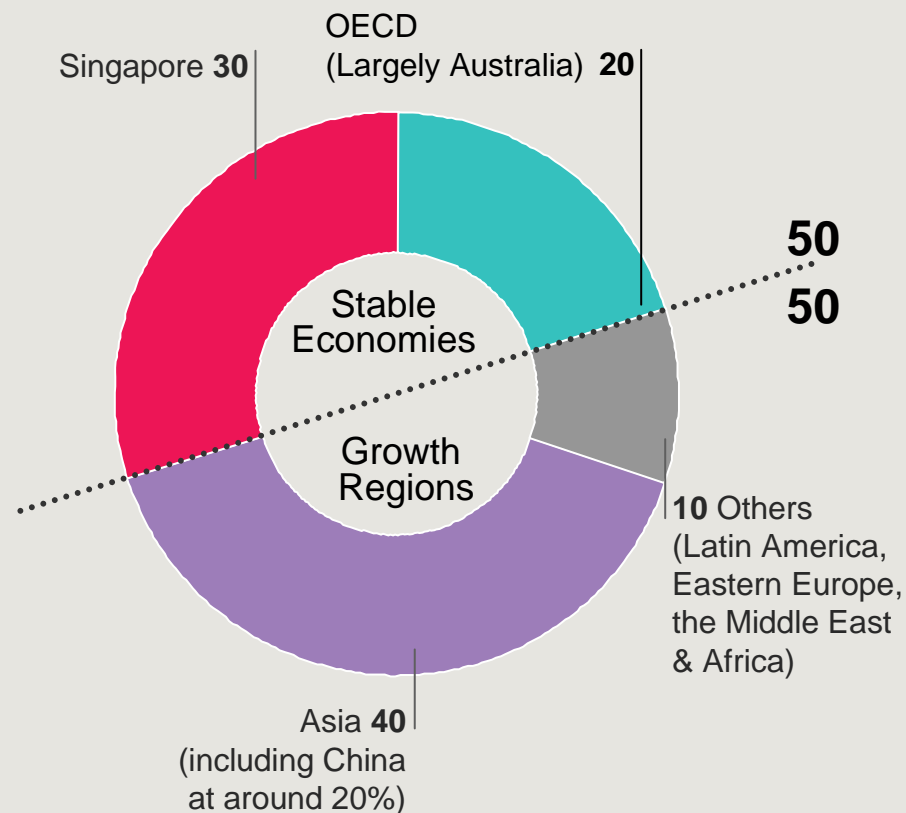
## Looking Back – Exposure to Asia



# Positioned for Growth

## Remain Anchored in Asia

- Directional portfolio mix
  - 40:30:20:10
- Balanced risk posture
  - 50:50 exposure between stable economies and growth regions
- Full flexibility to shift the weight of our portfolio



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## PERFORMANCE

Fundamentally  
Robust

## POSTURE

Building to Last

## INSTITUTION

Building an  
Owner Mindset

## OUTLOOK

Long Term  
Positive

Near Term  
Steady



# Supplementary Slides

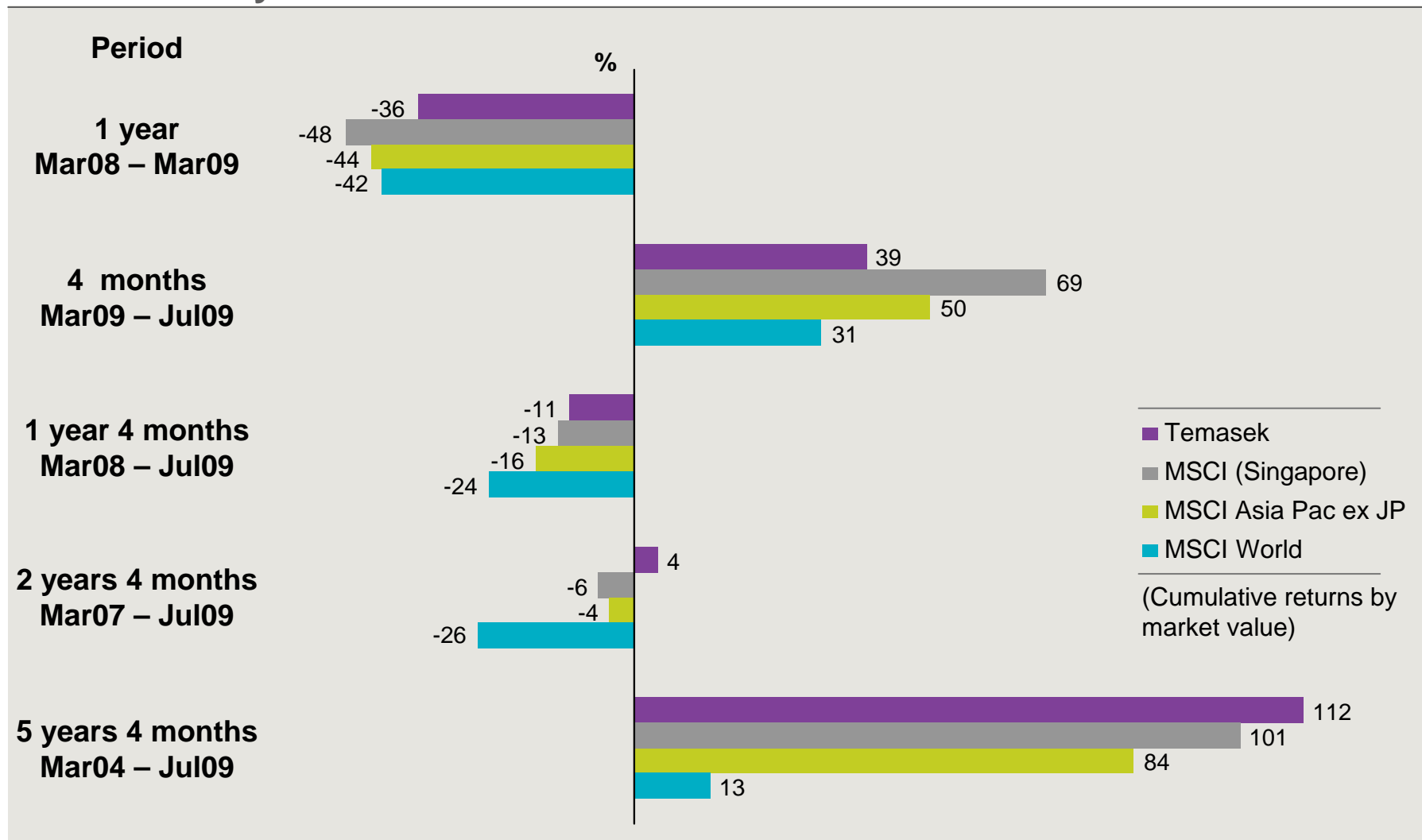
# TSR by Market Value as at 31 Mar 09 (US\$ based returns)

## Fundamentally Robust Portfolio



# Cumulative Returns as at 31 Jul 09 (US\$ based returns)

## Fundamentally Robust Portfolio



# TSR by Market Value over Market Cycles (US\$ based returns)

## Fundamentally Robust Portfolio

